



Fiscal Year 2013-14 Third Quarter Financial Status Report

County of San Luis Obispo

Introduction

In accordance with the Board's adopted policy related to Ongoing Budget Administration, this Third Quarter Financial Report provides an overview of the County's financial position at the end of the Third Quarter of Fiscal Year 2013-14. The Third Quarter timeframe is January 1, 2014 through March 31, 2014.

The Third Quarter Financial Status Report is organized in the following eight sections:

Section 1 - Provides an overview of the County's financial position at the end of the Third Quarter. A brief summary of noteworthy financial or operational issues by fund center is also provided. Comments are not provided for fund centers reporting no issues in the Third Quarter.

Board Policy: Ongoing Budget Administration

It shall be the responsibility of the County Administrative Officer to submit Quarterly Financial Status Reports to the Board of Supervisors. These reports shall provide a projection of expenditures and revenues, identifying projected variances. They may also include recommendations and proposed corrective actions which may include mid-year reductions

Section 2 - Provides a big picture analysis of Third Quarter revenue receipts by category (e.g., taxes, charges for services, etc.) and fund (e.g., General Fund, Road Fund, etc.) as well as a review of contingency, designation and reserve activity.

Section 3 - Provides a listing of all personnel changes approved by the Board of Supervisors during the Third Quarter.

Section 4 - Provides miscellaneous financial items for the Board's consideration, such as requests from departments for acceptance of gift funds and donations, requests for relief from accountability for uncollectible debt, miscellaneous budget adjustments, and a request from the General Services Agency to declare vehicles surplus and authorize their disposal.

Section 5 - Provides an update on the capital improvement and maintenance projects managed by the General Services Agency and Public Works Department.

Section 6 - Provides the annual Debt Review update from the Auditor-Controller. The report confirms that the County is in compliance with legal debt limitations and comments on the County's overall debt.

Section 1: Overview of Financial Position

The table below compares the current year and prior year Third Quarter expenditures and revenues for all funds and the General Fund.

Expenditure and revenue patterns for the Third Quarter of FY 2013-14 are consistent with those in the Third Quarter of FY 2012-13. The revenue realization rates shown in the tables at right are typical for the Third Quarter due to the time lag involved in billing cycles and receipt of reimbursements, and because some of the largest revenue sources are historically realized closer to the end of the fiscal year.

Expense & Revenue <u>All Funds</u> Comparison		
	3rd Quarter FY 2012-13	3rd Quarter FY 2013-14
Expenditures	59%	57%
Revenue Realized	57%	58%
Expense & Revenue <u>General Fund</u> Comparison		
	3rd Quarter FY 2012-13	3rd Quarter FY 2013-14
Expenditures	65%	63%
Revenue Realized	59%	60%

Noteworthy Issues Identified in the Third Quarter:

Department: Public Defender
Fund Center(s): 135
Issue: Unbudgeted expenditures
Impact to General Fund: \$200,000

At the end of the Third Quarter, Public Defender expenditures are over budget by approximately \$100,000. This is due to the impact of complex murder cases, panga boat cases and a major financial

fraud case. As in past years, expenditures for extraordinary cases have not been included in the adopted budget. A budget adjustment in the amount of \$200,000 is requested from General Fund contingencies to offset these costs. Any unspent General Fund expense appropriation available at the end of the year will be carried over into the following fiscal year.

Department: Clerk-Recorder
Fund Center(s): 110
Issue: Decreased recording activity
Impact to General Fund: None

As of the end of the Third Quarter, the Clerk-Recorder is reporting that recording revenues have declined 26% compared to the same period in FY 2012-13. The decline is due largely to

external factors, such as a shortage of housing inventory, rising sales prices, increased regulations for obtaining loans, and rising interest rates—all of which contribute to decreased home-buying activity.

If recording activity continues to be down through the end of the fiscal year, the department may see a \$350,000 shortfall in recording revenues at year end. While this shortfall will be partially offset by increases in other revenues, it is estimated that the Clerk-Recorder may end the year with a \$263,000 revenue shortfall overall.

Despite this, no impact to the General Fund is expected at year end. Due to the decrease in recording workload, the Clerk-Recorder has been able to shift staff time to activities that can be offset with restricted revenue sources held in trust. The use of restricted revenues will offset the decline in recording revenue so that the department will not exceed its budgeted General Fund support at year end.

Department: Airport
Fund Center: 425
Issue: Enplanement levels
Potential Impact to General Fund: None

As an Enterprise Fund, Airport Services relies on the revenues generated by the Airports to fund its operational and capital expenses. Revenue from passenger enplanements on commercial

air carriers is a key indicator of the Airports' fiscal health and outlook. The Quarterly Fiscal Report includes a regular update on the status of the County Airport Services budget with emphasis on the number of passenger enplanements.

Changes to air carrier service that began in 2007 with rising fuel prices were exacerbated by the great recession of 2008. Many airports, including San Luis Obispo, experienced reductions in the number of commercial flights and an overall decline in enplanements. Since that time, the annual expenditures for Airport operations have largely exceeded the amount of annual revenues received by the Airports, with the exception of FY 2012-13. Airport Services has relied on its unallocated cash balance in the Airport Fund to cover expenses.

As of the end of the Third Quarter, Airport Services is reporting improved parking fee revenues due to a new contract with MINDBODY for employee parking, an increase in enplanements, and use of the parking kiosk payment system. The FY 2013-14 adopted budget included the planned use of \$292,924 of cash balance. Due to increased revenues and decreased expense, Airport Services now anticipates that its revenues will exceed expenditures by \$42,628 at year end, which is \$335,552 more favorable than what was budgeted.

The number of commercial air service passenger enplanements is a major driver of Airport revenues. During the Third Quarter of FY 2013-14, enplanement levels at the San Luis Obispo Regional Airport increased by 9,884 or 10%, compared to the same time in the prior fiscal year. The following table shows enplanement numbers from FY 2007-08 to present, along with annual percentage change in enplanements:

Enplanements, FY 2007-08 to Present

FY	Q1	Q2	Q3	Q4	Cumulative	% Change
2007-08	51,343	48,784	38,794	43,364	182,285	
2008-09	42,697	32,566	26,866	30,619	132,748	-27%
2009-10	32,968	30,873	27,645	33,666	125,152	-6%
2010-11	36,301	36,128	30,496	36,984	139,909	11%
2011-12	35,631	34,493	30,185	33,935	134,244	-4%
2012-13	35,457	31,850	30,354	34,654	132,315	-1%
2013-14	36,753	36,224	34,528		107,505	10%*

*Compares the first three quarters of FY 2013-14 to the first three quarters of FY 2012-13

The Third Quarter fiscal report for Airport Services continues to point to some improvement in the Airport's fiscal status. The successful recruitment of new and/or expanded commercial air service at the Airport will have a significant positive impact on Airport Services finances. As reported to the Board on November 5th, 2013, staff has worked closely with an air service consultant and the business community to successfully develop a revenue guarantee program totaling \$1.75 million to encourage United Airlines to expand its service out of San Luis Obispo by adding a non-stop flight to Denver. The impact of this program and the overall financial status of the Airport will continue to be reported on in future quarterly reports.

Section 2: Status of Funds, Contingencies and Reserves

PART II REVENUE SCHEDULE ANALYSIS THIRD QUARTER FOR FISCAL YEAR 2013-2014

I. GENERAL:

The Auditor-Controller's Office has prepared the following Schedules that are attached following this narrative.

Schedule 1: Comparative Statement of County Funds - Revenue Status

Schedule 2: Comparative Statement of Contingencies and Reserves

Schedule 3: Revenues and Expenditures by Functional Area

Schedules 1 and 2 are the focus of the following discussion. Generally, comments are limited to material deviations from the prior year or from what would appear to be normal performance. Schedule 3 is for information only.

II. SCHEDULE 1: Comparative Statement of County Funds - Revenue Status

A. Summary

Total budgeted revenues for all funds are \$529.4 million. At the end of the Third Quarter, \$305.3 million or 58% of estimated revenues were realized, compared to 57% in the prior year. Taxes and government aid do not follow even monthly flows.

B. Specific Comments - Revenue Status by Type

Taxes-Current Property: Collections of property tax revenue were 71% at the end of the first quarter comparable with the prior year's realization rate of 70%.

Taxes- Other than Current Property: At the end of the Third Quarter, 72% of estimated revenue was realized, compared to 69% in the prior year. Included in this revenue classification are Transient Occupancy Tax (Bed Tax), Property Transfer Tax, Property Tax In-Lieu of Sales Tax, and Property Taxes In-Lieu of Vehicle License Fees.

Licenses and Permits: The amount realized is 70% of estimates compared with last year's realization rate of 67%. Revenue sources in this class include Franchise Fees, Plan Check Fees, Building Permits, and Land use Permits. Plan Check Fees increased by \$390,064, Building Permit revenue increased by \$512,572, and Subdivision Permits increased by \$95,044 over the same period last year. This is due to a substantial increase in single family residential building permits and an accelerated construction schedule for one of the solar projects in California Valley.

Fines, Forfeitures, and Penalties: The amount realized is 60% compared to last year's realization rate of 49%. This is due to a large settlement received for mitigation of construction defects in the new Government Center building. The realization rate in the current year outside that settlement is 46%. The difference

from prior year is due to decreases in revenue related to Traffic School Fees and other law enforcement related fines.

Revenue – Money and Property Use: Realized revenue in this class is 120% compared to the 114% realization rate in the prior year. Total interest revenue earned by the General Fund was \$58,430 compared to \$50,506 in the same quarter prior year. The average rate of return during the Third Quarter was .2190% compared to .2502% in the prior year.

Aid from Government Agencies: The amount realized is 48%, consistent with the amount received in the prior year. Aid from government agencies does not follow even monthly revenue flows but catches up in the third and fourth quarters.

Charges for Current Services: The amount realized is 63%, compared to 56% in the prior year. There was a large refund of SB2557 Administration Fees recognized as negative revenue in the prior year.

Other Revenues: The amount realized is 53%, compared to 55% realized in the prior year.

Other Financing Sources: The amount realized for this quarter was 57% compared to 60% in the prior year.

C. Specific Comments - Revenue by Fund

General Fund: The General Fund realized 60% of estimated revenue as of the end of the Third Quarter, compared to 59% in the prior year.

Capital Projects Fund: This fund recognized 34% of revenues through the Third Quarter, compared to 41% in the prior year. This is mainly a timing issue as revenue is recognized as projects progress.

Road Fund: The Road Fund realized 41% of estimated revenue in the period compared to 45% in the prior year.

Community Development Program Fund: This fund's revenue through the Third Quarter was 43% in the current year to date compared to 22% in the prior year. The difference from the prior year is one of timing as this revenue is realized as projects are completed.

Public Facility Fees: Public Facility Fee Fund realized 184% of revenue in the current fiscal year, compared to 163% in the prior year. This increase is also a result of an increase in single family residential building permits.

Countywide Automation Replacement: Revenue realized in the current fiscal year is 37% compared to 29% in the prior year. Revenue in this fund is recognized as projects progress.

Road Impact Fees: This fund's year to date revenue is 42% of estimates compared to 91% in the same period in the prior year. The difference from the prior year is one of timing as this revenue is realized as projects are completed.

SCHEDULE 2: Comparative Statement of Contingencies and Reserves

A. Contingencies

General Fund: In the Third Quarter, General Fund contingencies were decreased by \$15,000. This amount was transferred to County Counsel to cover payments to outside counsel for various matters.

The General Fund contingency balance at the end of the quarter was \$15,433,020.

No other changes were made to contingency balances during the Third Quarter.

B. General Reserves

The Government Code provides that General Reserves may not be used during the operating year unless the Board of Supervisors deems that there is a state of emergency. No emergency uses have been enacted and all reserve balances are as adopted.

C. Designations and Other Reserves

The Board of Supervisors may choose to designate portions of available funding for a specific future purpose. Such designations reflect tentative plans, which are subject to change. It is this flexibility that distinguishes designations from reserves. Changes to these accounts during the Third Quarter were as follows:

CAPITAL PROJECTS FUND:

\$4,864,343 was transferred to increase appropriations for the Women's Jail Project.

\$1,035,104 was transferred to increase appropriations for the Juvenile Hall Expansion Project.

PUBLIC FACILITIES FEES FUND:

\$500,000 was transferred to increase Parks appropriations for the San Miguel Park.

PARKS FUND:

\$350,000 was transferred to increase appropriations for the San Miguel Park.

\$51,000 was transferred to appropriations for the Camp French Maintenance Project.

III. Schedule of Appropriation Transfers under the Auditor's Authority

By resolution, the Board of Supervisors authorized the Auditor-Controller to approve appropriation transfers between all object levels within the same budget unit. The resolution also directed that such transfers be reported to the Board on a quarterly basis. No such transfers were made during the Third Quarter.

COMPARATIVE STATEMENT OF COUNTY FUNDS- REVENUE STATUS
For the Nine Month Period Ended March 31, 2014 and 2013

	2013-14 Amount Budgeted	Amount Realized 03/31/14	%	2012-13 Amount Budgeted	Amount Realized 03/31/13	%
Revenue Status by Class						
TAXES - CURRENT PROPERTY	\$ 104,544,117	\$ 74,507,174	71 %	\$ 100,326,410	\$ 70,711,726	70 %
TAXES - OTHER THAN CURRENT PROPERTY	51,020,528	36,842,611	72 %	49,789,724	34,221,095	69 %
LICENSES AND PERMITS	9,641,212	6,740,600	70 %	8,573,316	5,786,307	67 %
FINES, FORFEITURES AND PENALTIES	8,660,953	5,223,040	60 %	5,478,394	2,707,024	49 %
REVENUE - MONEY AND PROPERTY USE	772,833	1,001,265 *	129 %	830,650	1,011,171	122 %
AID FROM GOVERNMENT AGENCIES	250,706,731	121,523,780	48 %	240,098,780	118,660,757	49 %
CHARGES FOR CURRENT SERVICES	29,661,064	18,656,925	63 %	30,538,465	17,061,442	56 %
OTHER REVENUES	38,823,873	20,480,915	53 %	30,587,746	16,675,173	55 %
OTHER FINANCING SOURCES	35,565,785	20,413,649	57 %	38,631,006	23,006,328	60 %
TOTAL REVENUES	\$ 529,397,096	\$ 305,389,959	58 %	\$ 504,854,491	\$ 289,841,023	57 %

	2013-14 Amount Budgeted	Amount Realized 03/31/14	%	2012-13 Amount Budgeted	Amount Realized 03/31/13	%
Revenue Status by Fund						
1000000000 General Fund	\$ 400,630,677	\$ 238,941,927 *	60 %	\$ 385,225,728	\$ 228,485,940	59 %
1100000000 Capital Projects	20,683,056	7,075,944 *	34 %	11,693,634	4,847,116	41 %
1200000000 Road Fund	41,256,104	17,028,286	41 %	49,372,271	22,160,527	45 %
1200500000 Community Devel Pgm	10,148,185	4,337,746	43 %	10,043,593	2,247,154	22 %
1201000000 Public Facility Fees	864,500	1,590,912	184 %	675,742	1,100,485	163 %
1201500000 Parks	8,934,883	6,027,477	67 %	9,449,906	6,255,386	66 %
1202000000 Co-Wide Automation Replacement	6,457,018	2,362,639	37 %	7,547,147	2,224,284	29 %
1202500000 Gen Gov Building Replacement	5,814,324	4,504,101	77 %	2,732,613	2,070,402	76 %
1203000000 Tax Reduction Resrv	1,399,033	1,063,442	76 %	0	24,822	%
1203500000 Impact Fee-Traffic	2,616,312	1,100,169	42 %	1,753,500	1,601,135	91 %
1204000000 Wildlife And Grazing	3,500	14	0 %	3,500	5,135	147 %
1204500000 Driving Under the Influence	1,402,463	1,029,849	73 %	1,373,406	1,036,187	75 %
1205000000 Library	10,710,597	8,024,354	75 %	8,034,367	5,783,279	72 %
1205500000 Fish And Game	20,000	20,680	103 %	20,000	15,118	76 %
1206000000 Organizational Development	459,700	341,165	74 %	463,819	340,799	73 %
1206500000 Medically Indigent Services Progra	5,102,096	2,670,606	52 %	5,095,977	3,241,702	64 %
1207000000 Emergency Med Svcs	801,000	445,446	56 %	801,000	485,507	61 %
1208000000 Debt Service-Cert of Participation	2,079,022	1,699,561	82 %	2,256,488	1,693,076	75 %
1801000000 Pension Obligation Bond DSF	10,014,626	7,125,641	71 %	8,311,800	6,222,969	75 %
TOTAL REVENUES	\$ 529,397,096	\$ 305,359,959	58 %	\$ 504,854,491	\$ 289,841,023	57 %

Includes Third Quarter interest:

General Fund: \$58,430
Capital Projects: \$13,168

COMPARATIVE STATEMENT OF CONTINGENCIES AND RESERVES
By Fund as of March 31, 2014

	2012-13	2013-14		2013-14
	Final	Final	As of	Increase
Contingencies	Budget	Budget	03/31/14	(Decrease)
General Fund	\$ 15,043,207	\$ 15,551,002	\$ 15,433,020	\$ (117,982)
Community Devel Pgm	65,685	37,167	37,167	0
Parks	505,357	550,113	286,113	(264,000)
Driving Under the Influence	79,341	123,502	123,502	0
Library	258,395	424,297	424,297	0
TOTAL CONTINGENCIES	<u>\$ 15,951,985</u>	<u>\$ 16,686,081</u>	<u>\$ 16,304,099</u>	<u>\$ (381,982)</u>

	2012-13	2013-14		2013-14
	Final	Final	As of	Increase
Designations and Other Reserves	Budget	Budget	03/31/14	(Decrease)
General Fund				
Co. Fire Equip. Replace	\$ 966,922	\$ 113,765	\$ 113,765	\$ 0
Designated FB-2020 POB	4,688,657	7,188,657	7,188,657	0
General Reserve	8,000,000	9,000,000	9,000,000	0
Internal Financing	4,186,511	3,918,103	3,918,103	0
Solar Plant Mitigation	487,165	8,078,258	8,078,258	0
Willow Rd Interchange	967	967	967	0
Capital Projects				
Detention Facilities	5,067,883	4,864,343	0	(4,864,343)
Facilities Planning	6,335,134	8,946,716	6,783,064	(2,163,652)
Gov Bldg Unappr Revenue	0	0	1,986,400	1,986,400
Juvenile Hall Bldg	1,732,000	1,361,600	326,496	(1,035,104)
LO Landfill Closure	152,732	0	0	0
Solar/Energy Projects	1,199,787	1,199,787	1,199,787	0
Road Fund				
Future Road Projects	3,826,718	3,428,693	3,428,693	0
Maria Vista Estates	0	641,299	641,299	0
N. River Mine Reserve	83,000	83,000	83,000	0
Public Facility Fees				
Reserve for County Fire	2,080,515	1,764,911	1,764,911	0
Reserve for General Gov't	498,073	216,148	216,148	0
Reserve for Law Enforcmnt	1,152,563	793,299	793,299	0
Reserve for Library	95,911	110,804	110,804	0
Reserve for Parks	1,854,516	2,798,990	2,298,990	(500,000)
Parks				
Lopez Park's Projects	70,000	250,000	199,000	(51,000)
Parks Projects	837,768	1,441,587	845,587	(596,000)
Co-Wide Automation Replacement				
Automation Replacement	10,467,113	10,840,251	10,840,251	0
Budget System Developm	770,274	770,274	770,274	0
Gen Gov Building Replacement				
Gov. Building Rpl	13,376,808	18,687,751	19,201,351	513,600
Library - Cambria	339,980	501,876	501,876	0

COMPARATIVE STATEMENT OF CONTINGENCIES AND RESERVES
By Fund as of March 31, 2014

	2012-13	2013-14		2013-14
	Final	Final	As of	Increase
<u>Designations and Other Reserves</u>	<u>Budget</u>	<u>Budget</u>	<u>03/31/14</u>	<u>(Decrease)</u>
(Continued)				
Tax Reduction Resrv				
Desig-Prop Tax Litigation	797,952	797,952	797,952	0
Tax Reduction Reserves	11,397,138	12,839,606	12,839,606	0
Impact Fee-Traffic				
Improvement Fees	4,873,859	4,865,812	4,865,812	0
Wildlife And Grazing				
General Reserve	377	377	377	0
Wildlife Projects	11,535	14,907	14,907	0
Driving Under the Influence				
General Reserve	200,459	194,859	194,859	0
Systems Development	419,265	419,265	419,265	0
Library				
Atascadero Building Expan	105,131	105,131	102,611	(2,520)
Facilities Planning	777,510	777,510	777,510	0
General Reserve	49,690	49,690	49,690	0
Fish And Game				
Environmental Settlemt	18,862	23,142	23,142	0
Fish and Game Projects	101,890	105,851	105,851	0
General Reserve	54,583	54,583	54,583	0
Organizational Development				
Countywide Training	1,479,776	1,479,776	1,479,776	0
General Reserve	446,510	565,946	565,946	0
Debt Service-Cert of Participation				
Loan Payment Reserve	16,373	16,373	16,373	0
Pension Obligation Bond DSF				
Desig - POB Debt Service	6,740,895	8,207,937	8,207,937	0
<u>TOTAL DESIGNATIONS AND RESERVES</u>	<u>\$ 95,762,802</u>	<u>\$ 117,737,027</u>	<u>\$ 111,032,456</u>	<u>\$ (6,704,571)</u>

REVENUES AND EXPENDITURES BY FUNCTIONAL AREA
For the Nine Month Period Ended March 31, 2014

Budget Units by Functional Area		2013-14 Budgeted Expenditures	Amount Expended 03/31/14	%	2013-14 Budgeted Revenues	Amount Realized 03/31/14	%
General Government							
100	BOARD OF SUPERVISORS	\$ 1,723,756	\$ 1,150,921	67 %	\$ 0	\$ 0	0 %
101	NON-DEPARTMENTAL REVENUES	5	1	20 %	149,502,921	106,805,363	71 %
104	ADMINISTRATIVE OFFICE	1,727,657	1,133,219	66 %	29,229	7,327	25 %
105	RISK MANAGEMENT	1,581,718	1,145,137	72 %	982,095	309,844	32 %
107	AUDITOR-CONTROLLER	5,253,028	3,278,372	62 %	1,153,660	568,373	49 %
108	TREAS-TAX COLL-PUBLIC ADM	3,173,941	1,923,057	61 %	1,492,447	977,859	66 %
109	ASSESSOR	9,199,859	5,930,970	64 %	648,829	229,820	35 %
110	CLERK/RECORDER	3,061,042	1,967,793	64 %	2,302,320	1,561,429	68 %
111	COUNTY COUNSEL	3,689,717	2,505,494	68 %	250,503	132,733	53 %
112	HUMAN RESOURCES	2,761,999	1,567,376	57 %	201,546	55,539	28 %
113	GENERAL SERVICES	9,702,016	6,611,617	68 %	3,483,053	2,425,619	70 %
114	INFORMATION TECHNOLOGY DEPARTMENT	10,177,768	6,908,347	68 %	1,802,062	1,115,842	62 %
201	PUBLIC WORKS SPECIAL SERVICES	2,637,132	1,408,488	53 %	1,137,043	551,965	49 %
266	COUNTYWIDE AUTOMATION REPLACEMENT	7,514,755	1,029,295	14 %	6,457,018	2,362,639	37 %
267	GEN GOVT BUILDING REPLACEMENT	1,284,603	30,360	2 %	5,814,324	4,504,101	77 %
268	TAX REDUCTION RESERVE	3,149,656	2,800,000	89 %	1,399,033	1,063,442	76 %
275	ORGANIZATIONAL DEVELOPMENT	540,141	161,277	30 %	459,700	341,165	74 %
290	COMMUNITY DEVELOPMENT PROGRAM	10,148,185	4,215,845	42 %	10,148,185	4,337,746	43 %
TOTAL General Government		\$ 77,326,978	\$ 43,767,569	57 %	\$ 187,263,968	\$ 127,350,806	68 %
Public Protection							
130	WASTE MANAGEMNT	\$ 975,547	\$ 407,976	42 %	\$ 29,967	\$ 27,056	90 %
131	GRAND JURY	138,049	95,032	69 %	0	0	0 %
132	DISTRICT ATTORNEY	14,966,631	9,827,339	66 %	6,359,180	3,270,177	51 %
134	CHILD SUPPORT SERVICES	4,676,116	3,146,010	67 %	4,676,116	2,782,906	60 %
135	PUBLIC DEFENDER	5,701,548	4,262,832	75 %	619,010	191,368	31 %
136	SHERIFF-CORONER	64,197,053	45,103,030	70 %	26,256,800	16,469,271	63 %
137	ANIMAL SERVICES	2,504,373	1,739,599	69 %	2,016,600	1,384,908	69 %
138	EMERGENCY SERVICES	1,790,261	846,948	47 %	1,634,798	708,020	43 %
139	PROBATION DEPARTMENT	19,362,286	12,993,285	67 %	10,371,976	5,522,254	53 %
140	COUNTY FIRE	20,215,807	5,439,050	27 %	6,235,561	3,916,961	63 %
141	AGRICULTURAL COMMISSIONER	5,256,202	3,619,163	69 %	3,182,605	779,345	24 %
142	PLANNING & BUILDING DEPARTMENT	14,703,411	8,392,624	57 %	8,123,187	5,715,960	70 %
143	COURT OPERATIONS	2,426,973	1,875,954	77 %	2,898,559	1,468,902	51 %
330	WILDLIFE AND GRAZING	3,509	19	1 %	3,500	14	0 %
331	FISH AND GAME	20,000	(1,374)	(6) %	20,000	20,680	103 %
TOTAL Public Protection		\$ 156,937,766	\$ 97,747,487	62 %	\$ 72,427,859	\$ 42,257,822	58 %

REVENUES AND EXPENDITURES BY FUNCTIONAL AREA
For the Nine Month Period Ended March 31, 2014

Budget Units by Functional Area	2013-14 Budgeted Expenditures	Amount Expended 03/31/14	%	2013-14 Budgeted Revenues	Amount Realized 03/31/14	%
Public Ways & Facilities						
245 ROADS	\$ 45,950,922	\$ 19,242,492	42 %	\$ 41,256,104	\$ 17,028,286	41 %
247 PUBLIC FACILITIES FEES	5,088,227	229,032	5 %	864,500	1,590,912	184 %
248 ROADS - IMPACT FEES	4,582,552	854,379	19 %	2,616,312	1,100,169	42 %
TOTAL Public Ways & Facilities	\$ 55,621,701	\$ 20,325,903	37 %	\$ 44,736,916	\$ 19,719,367	44 %
Health & Sanitation						
160 PUBLIC HEALTH	\$ 23,380,697	\$ 13,669,554	58 %	\$ 19,548,192	\$ 9,345,269	48 %
166 BEHAVIORAL HEALTH	52,377,288	33,596,293	64 %	45,652,146	23,880,958	52 %
TOTAL Health & Sanitation	\$ 75,757,985	\$ 47,265,847	62 %	\$ 65,200,338	\$ 33,226,227	51 %
Public Assistance						
106 CONTRIBUTIONS TO OTHER AGENCIES	\$ 1,935,788	\$ 1,861,705	96 %	\$ 394,350	\$ 28,140	7 %
180 SOCIAL SERVICES ADMINISTRATION	67,291,105	41,760,605	62 %	62,130,675	24,263,083	39 %
181 FOSTER CARE-SOCIAL SERVICES	20,850,558	14,576,462	70 %	20,291,800	14,134,782	70 %
182 CALWORKS	12,150,170	8,480,251	70 %	11,789,801	7,295,306	62 %
183 MEDICAL ASSISTANCE PROG	4,293,366	2,598,427	61 %	162,887	60,651	37 %
184 LAW ENFORCEMENT MED CARE	2,709,599	1,958,646	72 %	1,093,399	694,977	64 %
185 GENERAL ASSISTANCE	1,172,437	743,880	63 %	472,147	353,977	75 %
186 VETERANS SERVICES	1,007,841	357,187	35 %	584,842	545,597	93 %
350 Medically Indigent Services Program	6,342,458	3,188,455	50 %	5,102,096	2,670,606	52 %
351 EMERGENCY MEDICAL SRVS FUND	1,159,478	611,966	53 %	801,000	445,446	56 %
TOTAL Public Assistance	\$ 118,912,800	\$ 76,137,584	64 %	\$ 102,822,997	\$ 50,492,565	49 %
Education						
215 FARM ADVISOR	\$ 479,877	\$ 317,386	66 %	\$ 4,575	\$ 3,811	83 %
375 DRIVING UNDER THE INFLUENCE	1,408,064	1,053,160	75 %	1,402,463	1,029,849	73 %
377 LIBRARY	11,383,469	7,839,608	69 %	10,710,597	8,024,354	75 %
TOTAL Education	\$ 13,271,410	\$ 9,210,154	69 %	\$ 12,117,635	\$ 9,058,014	75 %
Recreation & Cultural Services						
305 PARKS	\$ 10,037,073	\$ 5,610,016	56 %	\$ 8,934,883	\$ 6,027,477	67 %
TOTAL Recreation & Cultural Services	\$ 10,037,073	\$ 5,610,016	56 %	\$ 8,934,883	\$ 6,027,477	67 %
Debt Service						
277 DEBT SERVICE	\$ 2,079,022	\$ 1,699,561	82 %	\$ 2,079,022	\$ 1,699,561	82 %
392 PENSION OBLIGATION BOND DSF	8,762,661	6,630,222	76 %	10,014,626	7,125,641	71 %
TOTAL Debt Service	\$ 10,841,683	\$ 8,329,783	77 %	\$ 12,093,648	\$ 8,825,202	73 %

REVENUES AND EXPENDITURES BY FUNCTIONAL AREA
For the Nine Month Period Ended March 31, 2014

Budget Units by Functional Area	2013-14 Budgeted Expenditures	Amount Expended 03/31/14	%	2013-14 Budgeted Revenues	Amount Realized 03/31/14	%
Financing Uses						
102 NON-DEPTL-OTHR FINCNG USE	\$ 14,951,574	\$ 10,715,146	72 %	\$ 1,631,913	\$ 1,247,548	76 %
TOTAL Financing Uses	\$ 14,951,574	\$ 10,715,146	72 %	\$ 1,631,913	\$ 1,247,548	76 %
CAPITAL PROJECTS						
200 MAINTENANCE PROJECTS	\$ 7,845,631	\$ 1,046,957	13 %	\$ 1,483,883	\$ 50,557	3 %
230 CAPITAL PROJECTS FUND	32,122,818	4,915,453	15 %	20,683,056	7,062,776	34 %
TOTAL CAPITAL PROJECTS	\$ 39,968,449	\$ 5,962,410	15 %	\$ 22,166,939	\$ 7,113,333	32 %
COUNTY TOTAL	\$ 573,627,419	\$ 325,071,899	57 %	\$ 529,397,096	\$ 305,318,361	58 %
GENERAL FUND TOTAL	\$ 422,049,826	\$ 264,962,133	63 %	\$ 400,630,677	\$ 238,883,497	60 %

Section 3: Position Changes

During the Third Quarter, January 1, 2014 through March 31, 2014, the following reclassification/reorganization changes were approved by the Board of Supervisors. This report also includes a list of all administrative changes approved by the Human Resources Director under the authority of the BOS, and the current vacancy statistics.

POSITION ALLOCATION CHANGES MADE BY THE BOARD OF SUPERVISORS:

Fund Center 405-Public Works - Allocation Change Approved 1/14/14:

Add 1.00 FTE – 08903 Departmental Automation Specialist I, II or III

Fund Center 113-General Services and Fund Center 114-Information Technology Reorganization - Allocation Changes Approved 2/11/14:

Fund Center 113 – General Services:

Delete 1.00 FTE – 00907 Accountant I, II, or III
Add 0.50 FTE – 00911 Account Clerk - ½ time
Add 1.00 FTE – 00913 Accounting Technician – Confidential
Add 1.00 FTE – 02202 Administrative Assistant Aide, I or II
Add 1.00 FTE – 08795 Administrative Services Manager
Delete 1.00 FTE – 01338 Stock Clerk

Fund Center 114 – Information Technology:

Delete 0.50 FTE – 00911 Account Clerk – ½ time
Delete 1.00 FTE – 00913 Accounting Technician – Confidential
Add 1.00 FTE – 02204 Administrative Assistant Aide, I or II
Delete 1.00 FTE – 08975 Administrative Services Manager
Delete 1.00 FTE – 09679 Communications Aide
Add 1.00 FTE – 02252 Information Technology Manager
Delete 0.50 FTE – 00961 Telephone Systems Coordinator – ½ time

Fund Center 142 – Planning and Building - Allocation Change Approved 3/11/14:

Extend Sunset Date to 12/31/14 – 2.00 FTE – 02806 Land Use Technician – Limited Term.

SUMMARY OF POSITION ALLOCATION CHANGES

FY 13-14	Q1	Q2	Q3
Quarter Start	24,48.25	2,478.00	2,508.25
FTE Additions	42.75	43	6.50
FTE Deletions	13.00	12.75	6.50
Quarter End	2,478.00	2,508.25	2,508.25
Net Change	+29.75	+30.25	0.00
% Change	1.2%	1.2%	0.0%

ADMINISTRATIVE CHANGES MADE HUMAN RESOURCES:

Fund Center 132 – District Attorney - Effective 3/1/14

Delete two (2) 0.50 FTE Victim Witness Coordinator – ½ time positions and replaced them with a 1.00 FTE Victim Witness Coordinator I, II, or III position.

Annual Savings: No anticipated savings

Fund Center 136 – Sheriff Coroner - Effective 2/4/14

Delete one (1) 0.50 FTE Laboratory Assistant I or II Limited Term position to correct a PAL change error made in the Second Quarter of FY 2013-14. The Limited Term position was erroneously added to represent an existing 0.50 FTE that is being overfilled for the remainder of FY 2013-14. No PAL change was necessary.

EMPLOYEE VACANCY RATE

The County employee vacancy rate is 5.8%. This equates to 145.75 vacant positions.

Section 4: Miscellaneous Financial Issues

Acceptance of Donated Gift Funds:

Donations made by individuals and community organizations are accepted by the County and appropriated into the proper departmental budgets on an as needed basis. These donations are used to enhance programs and meet special needs throughout the county. It is recommended that the Board accept donations totaling \$66,955.82 on behalf of the following County departments, as noted below:

1. Accept gift funds in the amount of \$594.18 and approve an associated budget adjustment to move the funds from the Social Services gift trust account to the FC 180 – Social Services Administration operating budget.
2. Accept cash donations in the amount of \$37,209.16 and authorize an associated budget adjustment from the Library's gift trust fund to FC 377 – Library operating budget.
3. Accept cash donations in the amount of \$20,572 in FC 305 – Parks from the Parks Gift trust account.
4. Accept cash donations in the amount of \$8,580.48 contributed to FC 137 - Animal Services during the Third Quarter of FY 2013-14.

Memos from the departments are included in Attachment 2.

Relief from Accountability:

Requests for relief from accountability are presented to the Board in accordance with Government Code requirements. The action relieves the requesting departments from active pursuit of receivables totaling \$13,584, but does not release the responsible parties from the debt owed. Requests to discharge bad debt are only submitted to the Board for action after an extensive investigation has taken place and the department has reached the conclusion that the debt will not be collected. If a department's collection efforts are unsuccessful, cases are often turned over to the County's contract collection agency. The following requests for relief from accountability have been submitted for Board consideration:

1. Discharge \$13,109.67 of uncollectible debt of the Department of Social Services (Fund Center 180) for the CalWORKs, CalFresh, and General Assistance programs.
2. Approve a request from Public Works (FC 130) for relief from accountability for uncollectable debt from water charges in the amount of \$474.35;

Memos from the departments are included in Attachment 3.

Miscellaneous Budget Adjustments:

In addition to the items listed above, the Board is asked to approve the following budget adjustments:

1. Authorize a budget adjustment from General Fund Contingencies in the amount of \$200,000 in FC 135 – Public Defender for unbudgeted expenditures related to complex murder trials, panga boat cases and a major financial fraud case;
2. Authorize a budget adjustment in the amount of \$174,017 using Library Public Facility Fees to make the annual loan payment for the Cambria Library project, and increase the Designated Fund Balance – Library in the General Government Building Replacement Fund by a corresponding amount;
3. Authorize a budget adjustment in the amount of \$8,000 from the Library's Atascadero Building Expansion Reserve to FC 377 – Library operating budget to cover the expense of fees paid to the City of Atascadero for rezoning of the old Library property;
4. Authorize a budget adjustment in the amount of \$58,000 to transfer appropriation from contingencies to services and supplies accounts in FC 375 – Driving Under the Influence to fund expenditures for additional staff supervision provided by a position in FC 166 Behavioral Health;
5. Authorize a budget adjustment in the amount of \$15,870 to move Litter Clean Up funds into the FC 305- Parks to purchase litter control supplies;
6. Authorize a budget adjustment in a total amount of \$80,588 to transfer \$41,149 from the AB 109 trust and \$39,439 from FC 166 – Behavioral Health to FC 184 – Law Enforcement Medical Care to fund unanticipated medical expenditures for an AB 109 inmate requiring extensive care;
7. Authorize a budget adjustment in the total amount of \$116,870 in FC 136 – Sheriff-Coroner for unbudgeted security contract expense and modular building upgrades from 2011 public safety realignment (AB 109) revenue approved by the Community Corrections Partnership Executive Committee in January 2014;
Authorize a budget adjustment in the total amount of \$21,196 in FC 136 – Sheriff-Coroner from the District Attorney's Teichert settlement trust account for equipment at the Coroner's Office and Crime Lab and amend the fixed asset list in the amount of \$9,993 to include HVAC for the Crime Lab;
8. Authorize a budget adjustment in the total amount of \$25,100 in FC 136 – Sheriff-Coroner from asset forfeiture revenue from the sale of panga engines for unbudgeted equipment expense related to panga enforcement activities;
9. Authorize a budget adjustment in the total amount of \$125,000 in FC 136 – Sheriff-Coroner for unbudgeted overtime due to panga enforcement activities from Federal Stonegarden grant revenue;
10. Authorize a budget adjustment in the total amount of \$15,806 from Sheriff's Civil trust fund revenue for unbudgeted Court security contract expense;
11. Authorize a budget adjustment in the total amount of \$8,281 in FC 136 – Sheriff-Coroner from the K-9 gift trust fund account for unbudgeted K-9 expenses and equipment;
12. Authorize a budget adjustment totaling \$87,000 in FC 141- Agricultural Commissioner from unanticipated revenue to offset prevailing wage adjustments, unbudgeted retirement payouts, and one-time services and supplies expense;
13. Authorize a budget adjustment in the total amount of \$50,000 in FC 110 – Clerk-

Recorder from restricted revenue and unanticipated State Aid revenue for unbudgeted expense related to the Government to Government electronic lien recording system and to purchase 23 four-station ADA accessible voting booths; and

14. Amend the fixed asset list in FC 138 Emergency Services to add two walk-through detection monitors for the County's nuclear power plant emergency response program in the amount of \$30,750.

Memos from the departments are included in Attachment 4.

Surplus Vehicles:

Requests to declare County vehicles surplus and authorize their disposal are presented to the Board for consideration. County Code Section 2.36.030(5) provides the authority to sell, destroy or otherwise dispose of any personal property belonging to the County and found by the Board of Supervisors not to be required for public use. The General Services Agency requests that the Board declare 11 vehicles surplus and authorize their disposal.

A memo from the General Services Agency is included in Attachment 5.

**Section 5: Capital and Maintenance Projects Managed by the
General Services Agency and Public Works Department**

The Third Quarter status reports on capital and maintenance projects can be found in Attachment 6. This information is provided to keep the Board apprised of the status of various capital and maintenance projects managed by the General Services Agency and the Public Works department.

Section 6: Annual Debt Review

The annual report from the Auditor-Controller providing a debt review can be found in Attachment 7. This report confirms the County's is compliance with legal debt limitations and indicates the County's overall debt burden and current credit rating.